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CANADA'S PARCEL POST

The Dominion of Canada is now served by a full-fledged parcel-post system. The insurance feature is still to be brought into operation, but provision for it is made in the regulations and its realization may be expected at an early date. Otherwise, the new Canadian parcel post is the equal of any in the world in the suitability of its organization to geographical and topographical conditions. The legislation, which is modeled after that of the United States, but with certain modifications prompted by considerations of the peculiar situation in the Dominion, became effective in a limited form on February 10, 1914. It was the intention to allow three months for organization under the limited system, and for this reason a maximum of 6 pounds in weight was fixed for the months of February, March, and April. But the Post-Office executive found that the department was in a position to handle the additional business expected under the full parcel post and, under date of March 4, instructions were issued from Ottawa that the limit be raised to 11 pounds, the change to be effective forthwith. Provision had also been made in the original regulations that an additional fee of 5 cents, to be prepaid in postage stamps, should be charged during February, March, and April—the organization period—on each parcel mailed for local delivery in places where the letter-carrier system was in operation. This, too, was repealed by the supplementary instructions of March 4.

Although not so geometrically perfect as the system established in the United States, the Canadian organization has at least the merit of greater simplicity. The zone system is adopted, the Provinces themselves being taken as the zones. The three Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island are grouped for the purposes of the parcel post and considered as one zone. In addition, there is a local zone, including the place of mailing and any post-office within twenty miles of it, regardless of provincial boundaries. There is, of course, the double grading

of rates, on the bases of weight and zones. By weight are provided eleven rates in each zone, one rate for each successive pound or fraction thereof, from 1 to 11 pounds. For every post-office in the Dominion there are six zones, for each of which the parcel-post rates are graduated in accordance with weight. The six zones consist of: one local, including the place of mailing and any post-office within twenty miles; one intra-provincial; and four inter-provincial. There are, in all, 66 rates, covering the whole parcel-post system of Canada, the minimum being 5 cents and the maximum, \$1.32. Provision is made, however, for an additional charge to meet the extra cost of transportation on parcels addressed to, or posted at, offices in certain outlying districts, when such parcels have to be conveyed more than one hundred miles by a continuous stage service, such districts to be designated by the Postmaster-General. The optional insurance fee is additional. Rates of postage on articles accepted for transmission by parcel post are:

a) Five cents for the first pound and 1 cent for each additional pound or fraction thereof, up to 4 pounds, and 2 cents for each subsequent pound up to 11 pounds, within a radius of twenty miles from the place of mailing, irrespective of provincial boundaries.

b) Ten cents for the first pound and 4 cents for each subsequent pound or fraction thereof, for all points in the province in which a parcel is posted, outside of the twenty-mile radius.

c) Ten cents for the first pound and 6 cents for each additional pound or fraction thereof, for all points outside the province in which a parcel is posted, and beyond the twenty-mile radius, with an additional charge of 2 cents a pound for each province that has to be crossed to the destination of the parcel, not including the province in which it is to be delivered, up to a maximum of 12 cents a pound.

The charge for any parcel shall not be greater than 1 cent an ounce.

In the above rules, the three provinces Nova Scotia, New Brunswick, and Prince Edward Island are to be treated as one.

In tabular form, the rates appear as given in Table I, in accordance with the principles of computation given above.

TABLE I
RATES OF POSTAGE ON PARCELS MAILED AT POST-OFFICE A

Addressed to	1 Lb.	2 Lbs.	3 Lbs.	4 Lbs.	5 Lbs.	6 Lbs.	7 Lbs.	8 Lbs.	9 Lbs.	10 Lbs.	11 Lbs.
Any post-office within 20 miles* including place of mailing.....	\$0.05	\$0.06	\$0.07	\$0.08	\$0.10	\$0.12	\$0.14	\$0.16	\$0.18	\$0.20	\$0.22
Any post-office beyond 20 miles but within same province as Post-Office A.....	.10	.14	.18	.22	.26	.30	.34	.38	.42	.46	.50
Any post-office in a province immediately adjoining that of Post-Office A.....	.10	.16	.22	.28	.34	.40	.46	.52	.58	.64	.70
Any post-office in a province one removed from that of Post-Office A.....	.12	.20	.28	.36	.44	.52	.60	.68	.76	.84	.92
Any post-office in a province two removed from that of Post-Office A.....	.12	.24	.34	.44	.54	.64	.74	.84	.94	1.04	1.14
Any post-office in a province more than two removed from that of Post-Office A.....	.12	.24	.36	.48	.60	.72	.84	.96	1.08	1.20	1.32

The maximum charge on any parcel shall not exceed one cent an ounce.

*This rate also obtains in cases where the twenty-mile area extends into an adjacent province.

It may be noted that, because of the provisions limiting maximum rates, the rates between Ontario and points in British Columbia are no lower than between Quebec or the Maritime Provinces and such British Columbia offices. In effect, therefore, the extreme Eastern or the extreme Western Provinces are not penalized by their geographical position, so far as the parcel-post rates are concerned, but secure rates as low as if these provinces were practically in the center of the Dominion. On the other hand, no province, with the exception of Manitoba, has any considerable advantage in the parcel-post rates by reason of occupying a central position among the Provinces of the Confederation.

A parcel-post service has been advocated more or less seriously in Canada for years, success of the British system being urged in support of the ill-matured proposals. The discussion in the United States, prior to inauguration of the parcel-post system there on January 1, 1913, aroused such general interest in the Dominion that the reform was eagerly seized upon by propagandists both in Parliament and without. In many circles the parcel post came to be considered as a solution of the high cost of living, a means of salvation from excessive freight rates, an effective remedy for rural depopulation, and a specific for other community ills. No organization platform was up to date or complete without a parcel-post plank. It was pointed out as an anomaly that the Canadian Post-Office Department, under the Postal Union agreement and the convention with Great Britain, carried parcels for others but not for residents of the Dominion between points within Canada.

There already existed in Canada a limited parcel-post service, although it was not so designated. A quarter of a century or more ago there was established a domestic fourth-class-matter rate of 1 cent an ounce on merchandise of all descriptions, such as confectionery, dry goods, groceries, hardware, etc. The limit, however, has been 5 pounds. Repeated attempts to increase it to 11 pounds, and at the same time to reduce the rate, have met with little favor on the part of the administrative officers of the Post-Office Department. As a result, prior to the recent inauguration of the parcel post in the Dominion, limitations upon parcels for domestic delivery remained at 5 pounds in weight, and, in size, at

30 inches length by 1 foot depth or width. Such packages have been charged with postage at the flat rate of 1 cent per ounce, 16 cents per pound, and a maximum of 80 cents, exclusive of an optional registration fee of 5 cents. Between Canada and the United Kingdom there has existed a parcel-post service with a weight limit of 11 pounds and size restrictions of not over 2 feet in length by 1 foot in depth or width. The value must not exceed £5. Under this service the postal charge from Canada is 12 cents for each pound or fraction thereof, to the weight limit. The effect has been that a parcel sent from Montreal to Toronto by post as fourth-class matter was subject to a higher charge than a similar parcel by post from London, England, to Toronto.¹

Provision for a parcel post in the Dominion was already on the statute books. Section 74 of the Post-Office Act vested in the Postmaster-General power to "establish and maintain a parcel post within Canada and . . . arrange with the government of the United Kingdom, any British possession, or any foreign country for the reciprocal receipt, transmission, and delivery of parcels. . . ." Under the prompting of public demand, when the parcel post was inaugurated in the United States the Canadian Post-Office Department followed the operation of the new system closely, and semi-official visits were made to border cities and to Washington by Superintendent Ross and other officials. Acting upon the favorable report of the investigators, the government decided that the time was ripe for adoption of a parcel post in Canada. But the Dominion presented a problem different from that of Great Britain or the United States. The British Isles have an area of only 121,390 square miles, as against an area in the Province of Ontario alone of 260,862 square miles and in the entire Dominion of 3,907,000 square miles. Great Britain has a population of

¹ Since adoption of the parcel post in the United States, parcels may be posted in the Republic for delivery in Canada. These are chargeable at the domestic parcel-post rate, but the Canadian Post-Office authorities refuse to accept for delivery parcels of United States origin which weigh in excess of 2 kilograms, or 4 pounds 6 ounces, the latter being the limit under existing Postal Union conventions. This limit, established prior to inauguration of the parcel post in either country, has continued unchanged. A new arrangement is now necessary, and will doubtless be made before very long, providing for an interchange of packages of greater weight than is acceptable at present, probably up to 11 pounds.

44,000,000, as compared with only 2,500,000 in Ontario and little more than 7,000,000 in all Canada. The United States is inhabited over a much greater width of country than is the Dominion, while its population exceeds 90,000,000; its rural districts are distinctly better organized; and its mail-service organization is superior. The extent of the Dominion and its sparsity of population rendered impracticable and untenable a self-sustaining parcel post on a flat-rate basis. The zone principle was accepted as the only one capable of successful application in Canada, but the zone scheme as adopted is free from the elaborate complication of the United States system. Instead of some 5,000 different maps and guide-books, the Canadian system is so ordered that a comparatively few lines placed in the hands of the local postmaster are adequate to explain the whole situation to him.

TABLE II

	1 Lb.	2 Lbs.	3 Lbs.	4 Lbs.	5 Lbs.	6 Lbs.
United States local rate.....	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.10
Canadian local (20 miles) rate.....	.05	.06	.07	.08	.10	.12
United States first-zone (50 miles) rate	.05	.08	.11	.14	.17	.20

	7 Lbs.	8 Lbs.	9 Lbs.	10 Lbs.	11 Lbs.	
United States local rate.....	\$0.11	\$0.12	\$0.13	\$0.14	\$0.15
Canadian local (20 miles) rate.....	.14	.16	.18	.20	.22
United States first-zone (50 miles) rate	.23	.26	.29	.32	.35

Owing to the complexity of the United States system, and the incompleteness of rural mail organization in the provinces other than Ontario and Prince Edward Island, and even in these, it was deemed inadvisable to follow the United States model in detail. The zone system actually adopted has already been outlined and is well adapted to conditions—political as well as geographical—in the Dominion. Instead of the local and rural delivery rate under the system in the United States, the Canadian authorities established the local rate, regardless of provincial boundaries, within a twenty-mile radius. For example, parcels posted in Hull, in the Province of Quebec, for delivery in Ottawa, Ontario—the two municipalities face each other across the Ottawa River—are charged

under the local zone rate, which is lower than the intra-provincial and much below that obtaining for inter-provincial deliveries. The Canadian parcel-post local rates lie between the local or rural delivery rates and the first-zone rates under the United States system. The comparison is given in Table II.

The schedule of rates on parcels posted in one province for delivery within a province immediately adjoining lies between those of the fourth (600 miles) and fifth (1,000 miles) zones of the United States system:

TABLE III

	1 Lb.	2 Lbs.	3 Lbs.	4 Lbs.	5 Lbs.	6 Lbs.
United States fourth-zone (400 miles) rate.....	\$0.08	\$0.14	\$0.20	\$0.26	\$0.32	\$0.38
Canadian rate from one province to a province immediately adjoining.....	.10	.16	.22	.28	.34	.40
United States fifth-zone (1,000 miles) rate.....	.09	.16	.23	.30	.37	.44

	7 Lbs.	8 Lbs.	9 Lbs.	10 Lbs.	11 Lbs.	
United States fourth-zone (400 miles) rate.....	\$0.44	\$0.50	\$0.56	\$0.62	\$0.68
Canadian rate from one province to a province immediately adjoining.....	.46	.52	.58	.64	.70
United States fifth-zone (1,000 miles) rate.....	.51	.58	.65	.72	.79

The maximum rates under the Canadian parcel-post system of 12 cents per pound on parcels which have to be carried across two or more provinces to their destination are identical with the maximum or eighth-zone rates in the United States.

The Canadian parcel-post regulations, except as regards the zone scheme itself and the rate schedules, are in general similar to the original system in the United States, though there have never been special parcel-post stamps in the Canadian system and the payment of postage on parcel-post packets has been effected by the regular postage stamps.¹ The general size limit in Canada is

¹ Opinion was divided among those who interested themselves in the question in Canada, as to the advisability of requiring a distinctive parcel-post stamp and refusing to recognize ordinary Canadian postage stamps on parcel-post matter. After consideration, the government decided that the disadvantages of the distinctive stamp system outweighed the advantages. Other methods will be employed in computing the cost and return on the handling of parcels as a branch of the post-office service.

30 inches in length by 1 foot in width or depth, but parcels will be accepted up to 3 feet 6 inches in length, provided that the combined length and girth does not exceed 6 feet. The United States limit was simply 72 inches in length and girth combined. The prohibited matter is practically the same, and intoxicating liquors are banned in both systems. Both provide for insurance of parcels sent by parcel post, at the option of the sender. In the United States a parcel may be insured against loss to its actual value, but not to exceed \$50, on payment of a fee of 10 cents in stamps. The Canadian Post-Office Department, as soon as the insurance feature of the system is inaugurated, will insure parcels to their actual value, not to exceed \$25, upon payment of a fee of 5 cents in stamps. To a company using the parcel post extensively and insuring its parcels, the difference of 5 cents on each package, as compared with the United States system, will amount to a considerable aggregate saving in the course of a year. Insurance, not to exceed \$50, is provided for in the Canadian parcel-post system on payment of a fee of 10 cents. In view of the provision for insurance of parcel-post matter and the furnishing of receipts for such mail when insured, the necessity for registration is removed, and the regulations of both countries provide that parcel-post matter shall not be admitted to the registered mail. Pending inauguration of the insurance feature in the Canadian system, however, parcel-post packets are admitted to registration at the regular fee of 5 cents per parcel.

Adoption of the parcel post in Canada was effected without serious opposition from any source. For a time the retail merchants were doubtful and threatened hostility. But their objections were met satisfactorily when the system was explained. They feared that the parcel post would militate against the interest of merchants in villages and towns by serving chiefly the large departmental stores of Toronto, Montreal, and Winnipeg. It was pointed out to them that the local rate was sufficiently low to afford some advantage to the village or town storekeeper. Following a conference with representatives of the Retail Merchants' Association, when the government's proposals were carefully canvassed and objections considered, Hon. L. P. Pelletier, postmaster-

general, was able to announce that the association not only had withdrawn its former opposition, but frankly approved and indorsed the bill.

The parcel post provides a speedy and cheap carriage of small parcels for a very considerable portion of the Dominion which is not served by the express companies. There are in Canada some 14,475 post-offices, of which 9,689 are off a line of railway. These latter were very inadequately served, even for the carriage of small parcels, prior to adoption of the parcel-post system. Since offices of the express companies number only some 5,500, the new system is affording relief to nearly 9,000 points which the express companies do not reach.

There is a very great interest in a comparison of the parcel-post and express rates and considerable attention has been given to the questions which service is the cheaper and to what extent. For a few selected representative points in the Dominion the tariffs compare as shown in Table IV.

The Traffic Department of the Toronto Board of Trade recently made a useful comparison of the parcel-post and express services, considering the conditions entering into the value of each. A comparative schedule was compiled, in this connection, showing the respective charges on shipments of from 1 to 11 pounds from Toronto to each of some 550 points in the various provinces. Analysis of the rate table shows:

In so far as charges to points within the so-called "neutral" 20-mile zone are concerned, the parcel post is lower in every instance.

The rates to points within a radius of approximately 300 miles are sometimes in favor of the parcel post and, in others, the express companies, the advantage of the latter applying more particularly to shipments weighing 6 pounds and over. This feature in favor of the parcel post would appear somewhat significant, when it is recalled that, in the investigation made by the Interstate Commerce Commission in 1912, it was developed that the average weight of shipments under 11 pounds carried by the express companies of the United States was approximately 5 pounds, and we can assume that our conditions would be similar.

The parcel-post charges to points beyond the 300-mile radius are practically in all cases lower than the express merchandise rates; in fact, the farther the distance the greater the difference.

This comparison is made on the bases of the non-insurance rates published by the Post-Office Department and the merchandise express rates on one or more packages published by the express companies. But these figures should not form the sole basis of consideration and comparison. The functions performed by the two methods of carriage should be taken into account in determining the relative merits and value of the services. These additional factors are considered in the following quotation from the *Board of Trade News*:

At 373 of their 5,500 offices, the express companies perform a wagon service, without charge to their patrons, within such limits as may be prescribed by the Board of Railway Commissioners. The Post-Office Department's letter-carrier system is in operation at 50 points. It should be borne in mind that, while the express companies' service includes collection as well as delivery at these stations, the parcel-post regulations cover only free delivery, the senders being required to post outgoing parcels.

The parcel-post regulations do not provide for the giving of receipts, or payment of any indemnity for loss of, or damage to, uninsured parcels. The government's plan of insurance is not yet in operation, parcels being registered in the interim, but the rates, when the effective date has been fixed upon, have been placed at 5 cents per package for valuation not exceeding \$25; over \$25 and not over \$50, 10 cents per package, except that Section 4 of the Regulations provides that certain commodities cannot be insured.

The express companies, on the other hand, give receipts, and their charges include insurance for a valuation not exceeding \$50 per shipment, and a graduated scale of insurance rates is provided for valuation exceeding \$50, with no restriction as to commodities.

The postal regulations require that senders affix stamps sufficient to prepay all charges. Shipments by express may be forwarded with charges "to collect," except to non-agency stations and upon such commodities stipulated in the Express Classification as requiring prepayment of charges.

Relative to the parcel-post and express services in the United States, the *Board of Trade News* makes the following statement, which is significant, inasmuch as it represents pretty generally the view of the business men's organizations of the Dominion:

The conditions and feeling prevailing in the United States with respect to the parcel-post and express services are different from those in Canada. The postal authorities in Washington inaugurated a parcel-post service a year ago, with a weight limit of 11 pounds. Since that time the general weight

TABLE IV

From Toronto to		1 Lb.	2 Lbs.	3 Lbs.	4 Lbs.	5 Lbs.	6 Lbs.	7 Lbs.	8 Lbs.	9 Lbs.	10 Lbs.	11 Lbs.
Ontario points:												
Oakville	{ Parcel post	\$0.05	\$0.06	\$0.07	\$0.08	\$0.10	\$0.12	\$0.14	\$0.16	\$0.18	\$0.20	\$0.22
	{ Express...	.25	.25	.25	.25	.25	.30	.30	.30	.30	.30	.30
Galt Brantford}	{ Parcel post	.10	.14	.18	.22	.26	.30	.34	.38	.42	.46	.50
	{ Express...	.25	.25	.25	.25	.25	.30	.30	.30	.30	.30	.30
Barrie	{ Parcel post	.10	.14	.18	.22	.26	.30	.34	.38	.42	.46	.50
	{ Express...	.25	.25	.30	.30	.35	.35	.35	.35	.35	.35	.35
Cochrane	{ Parcel post	.10	.14	.18	.22	.26	.30	.34	.38	.42	.46	.50
	{ Express...	.25	.35	.45	.50	.50	.60	.60	.65	.70	.70	.75
Port Arthur Fort William}	{ Parcel post	.10	.14	.18	.22	.26	.30	.34	.38	.42	.46	.50
	{ Express...	.25	.35	.45	.60	.65	.70	.75	.75	.80	.80	.90
Kenora	{ Parcel post	.10	.14	.18	.22	.26	.30	.34	.38	.42	.46	.50
	{ Express...	.25	.35	.45	.60	.75	.80	.85	.90	.95	1.00	1.10
Manitoba points:												
Winnipeg	{ Parcel post	.10	.16	.22	.28	.34	.40	.46	.52	.58	.64	.70
	{ Express...	.30	.35	.45	.60	.75	.85	.90	.90	.95	1.00	1.15
Brandon	{ Parcel post	.10	.16	.22	.28	.34	.40	.46	.52	.58	.64	.70
	{ Express...	.30	.35	.45	.60	.75	.90	1.00	1.00	1.00	1.10	1.25
Virden Boissevain}	{ Parcel post	.10	.16	.22	.28	.34	.40	.46	.52	.58	.64	.70
	{ Express...	.30	.35	.45	.60	.75	.90	1.00	1.05	1.10	1.10	1.25

[illegible]

limit has been increased to 20 pounds, with a 50-pound limit covering a restricted area. It would now appear that there is under consideration a proposal to further extend the weight limit to 100 pounds. This has met with some opposition both in the press and by commercial organizations on the grounds that to increase the parcel-post limit to 100 pounds will practically put the express companies out of business, and which would not be in the best interests of the trade of the country. The express companies perform a service which the parcel post does not, nor cannot under present conditions. There is ample room for both services, and it is held not to be in the best interests of the shipping public that either the government or the express companies have a monopoly of the package-carrying business.

Then follows this comment on the difference between the parcel-post rates in Canada and in the United States:

The Canadian parcel-post rates would appear to be higher, in some instances, than those in the United States for similar distances, but it should be remembered that the service on the other side of the border is given practically at cost of operation by the Post-Office Department, no provision having as yet been made for additional remuneration to the United States railways, who, having lost a proportion of their express traffic to the government's system, are now carrying the same business for the government as parcel post. The Canadian government has made such provision, having recently authorized an increase to our carriers, having in view the additional matter which they will be required to carry as parcel post.

All Canada did not rush into the sending of merchandise and produce of various kinds by parcel post. The cost of living is still high and the middleman is still with us. The novelty of the service was responsible for a good start, but the early patronage was not permanent. Prior to March 4, the weight limit was only one pound higher than under the fourth-class-matter regulations which had been in force for years and, consequently, there was little added incentive for the use of the parcel post in preference to the express service. But with the higher weight limit, and the novelty now worn off, the parcel post is fulfilling a needed function in the carriage of small parcels at low rates, and a healthy growth in the new service is reported from all parts of the Dominion. The people are being educated to it and the results are thoroughly satisfactory to the Post-Office authorities. Major George Ross, superintendent of post-offices in Canada, recently returned from a tour of inspection through the Western Provinces and reports that

the parcel post is working smoothly and the business is rapidly expanding. The large departmental stores and retailers in many branches of trade are more and more availing themselves of the parcel-post service. The advantages of the latter are becoming better understood and its potentialities realized. A more extensive and more general use is the result. Development will be steady, perhaps slow, and, it is to be expected, very largely a recapitulation of the experience of the United States with its parcel post. There is a well-defined place for the new service in the economics of the Dominion, alongside the express system of the railways. Competition between the two will be limited, the one rather supplementing than competing with the other. In the future there may be a further encroachment of the parcel post upon the business, over the 11-pound limit, handled by the express companies. As yet there is no audible demand for such extension of the government service and it is pretty generally admitted that the parcel post is capable of a large development within its present field. It is proving a valuable and needed agency for the carriage of small parcels and is destined to become an economic factor of increasing importance.

S. ROY WEAVER

TORONTO, ONTARIO